

A N N U A L   R E P O R T  
O F  
WORKMEN'S COMPENSATION DIVISION  
DEPARTMENT OF LABOR AND INDUSTRY

to the  
GOVERNOR OF MONTANA  
HONORABLE THOMAS L. JUDGE

for the  
Fiscal Year Ended  
June 30, 1973



STATE OF MONTANA  
DEPARTMENT OF LABOR AND INDUSTRY  
WORKMEN'S COMPENSATION DIVISION NOV 8 1974

815 FRONT STREET  
HELENA, MONTANA 59601  
THOMAS L. JUDGE, GOVERNOR

LAWRENCE M. ZANTO  
ADMINISTRATOR

October 11, 1973

STATE DOCUMENTS

The Honorable Thomas L. Judge  
Governor of the State of Montana  
State Capitol Building  
Helena, Montana 59601

Dear Governor Judge:

In accordance with the requirements of Section 82-4002, R.C.M., 1947, there is herewith transmitted to you the report of the Workmen's Compensation Division, Department of Labor and Industry, covering the fiscal year ended June 30, 1973.

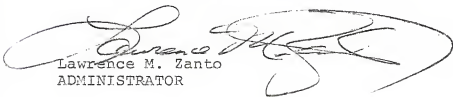
Major accomplishments of the year include:

- The Workmen's Compensation Advisory Council effectively authored legislation as recommended by the National Committee on Workmen's Compensation.
- Acceptance of the State OSHA Plan by the Secretary of Labor.
- Approval of 50/50 grant by U. S. Department of Labor to continue State and Federal cooperative safety and health compliance Program.
- Amputee Clinic well established showing high level of activity and excellent results.

Respectfully submitted,

WORKMEN'S COMPENSATION DIVISION

MONTANA STATE LIBRARY  
930 East Lyndale Avenue  
Helena, Montana 59601

  
Lawrence M. Zanto  
ADMINISTRATOR

LMZ/jem  
Enclosures

RECEIVED  
OCT 15 1973  
DIRECTOR OF BUDGET

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PRINCIPAL OFFICES AND OFFICERS

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PRINCIPAL ADMINISTRATIVE OFFICERS

Lawrence M. Zanto.....Administrator  
Norman H. Grosfield.....Chief Legal Council  
Kermit D. Bovee.....Assistant Administrator  
Roy L. Jameson.....Chief, Bureau of Safety and Health  
A. G. Pillen.....Chief, Bureau of Insurance Fund  
C. J. Woods.....Chief, Bureau of Insurance Compliance  
Andrew J. Kiely.....Bureau of Administration  
Margaret Condon.....Executive Secretary  
Kenneth D. Myers.....Personnel and Information Supervisor

Principal Administrative Office

815 Front Street

Helena, Montana 59601

## LEGAL REFERENCES

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### GENERALLY

The statutes relating to the operations of the Workmen's Compensation Division are contained primarily in the following sections:

Sections 92-101 through 92-1406, R.C.M., 1947.

Operating procedures emanate from the Division to administer statutory requirements and Supreme Court precedence dictates further guidelines within which the Division operates.

### SPECIAL

Inspection, Evaluation and Education Program.

The administration of the Montana Safety Act and laws relating to boiler inspection and licensing; regulation of the quartz mining industry are the responsibility of the Bureau of Safety and Health under the Workmen's Compensation Division. The statutes relating to this operation are contained in the Montana Safety Act, Sections 41-1708 through 41-1733; Boiler and Engineers Code, Sections 69-1501 through 69-1518 and Boiler and Mines Code, Sections 50-901 through 51-906.

Workmen's Compensation Program.

The administration of the Workmen's Compensation program is governed by Sections 92-101, 91-123 through 92-1406. The Division is

further responsible for the administration of the following:

1. Occupational Disease Act - Sections 92-1301 - 92-1360.
2. Industrial Insurance Second Injury Fund - Section 92-709A.
3. Volunteer Fireman's Compensation Fund - Sections 11-2020  
and 2031.
4. Insurance Liquidation Fund - Section 92-1004.
5. Silicosis - Welfare Act - Sections 71-1001 through 71-1009.

## PRINCIPAL GOALS

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The Workmen's Compensation Division exists to provide prompt replacement income and medical benefits to work-accident victims, or income benefits to their dependents; provide a single remedy and reduce court delays, costs and work loads arising out of personal injury litigation; encourage maximum employer interest in safety and rehabilitation through an appropriate experience rating program; and promote frank studies of causes of accidents, thereby reducing preventable accidents and the attendant human suffering.

## MAJOR ACCOMPLISHMENTS

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### WORKMEN'S COMPENSATION ADVISORY COUNCIL

1. The Advisory Council on Workmen's Compensation sponsored 25 pieces of legislation in the 1973 session; 24 became law. This legislation was in line with recommendations of the National Committee on Workmen's Compensation. The most significant changes were as follows:
  - a) Mandatory coverage effective July 1, 1973 -- all employments, with minor exceptions, will be covered under one of the three compensation insurance plans.
  - b) Permanent-partial disability benefits were increased.
  - c) Medical benefits can be extended beyond 36 months.
  - d) Temporary-total disability benefits raised to a maximum of \$110.00 per week with dependency requirements eliminated; compensation is based on 66 2/3% of worker's weekly wage not to exceed \$110.00.
  - e) Total-permanent disability benefits will be paid during the entire period of disability, possibly for life. The rate of benefit is 66 2/3% of worker's weekly wage not to exceed the state's average weekly wage.



## MAJOR ACCOMPLISHMENTS (Continued)

- f) Death benefits have been extended for the life-time of the widow or until remarriage. All dependency requirements have been eliminated with the rate now based on 66 2/3% of the deceased worker's wage with a maximum equivalent to the state's average weekly wage; the minimum to be 50% of the state's average weekly wage.
- g) Subsequent injury fund which offers broad coverage for pre-existing physical impairment. As a result, many more handicapped workers will be placed in meaningful employment.

## AMPUTEE CLINICS

The Amputee Clinic established last year, 1971-1972, has been well received by the medical profession. The services offered are being utilized by other interested state agencies and by medical doctors in general to aid the non-industrial amputee patients.

## OCCUPATIONAL SAFETY AND HEALTH

- 1. The Montana State Developmental Plan for Occupational Safety and Health was one of the first plans approved by the U. S. Department of Labor. The approval came on November 30, 1972. This was the end result of a \$90,246.00 federal grant which was made available for the purpose of developing the State Plan.
- 2. An agreement, in accordance with section 7(c)(1) of the Federal Occupational Safety and Health Act, was entered

MAJOR ACCOMPLISHMENTS (Continued)

into with the U. S. Department of Labor. This 50/50, 7(c)(1) agreement allows state personnel to work for the U. S. Department of Labor as Compliance Officers, to make safety and health inspections while remaining state employees.

3. Working under a \$31,697.00 federal grant, the Standards Advisory Council reviewed the federal OSHA standards in preparation for adoption as Montana Standards. Their recommendations have been submitted to the Workmen's Compensation Division.
4. A \$67,576.56 federal grant was received by the Bureau of Safety and Health for training and development of standards for coal mine safety and health.
5. A \$32,598.00 planning grant was requested and received to survey the needs and establish priorities in the field of industrial safety relating to public employees.
6. One Bureau of Safety and Health Technician completed a 12-week Industrial Hygiene Course at Norman, Oklahoma.
7. Surveys, resulting from a \$32,278.00 federal grant to survey needs and establish priorities in the field of industrial fire prevention, have been completed and a report of the findings has been submitted to the U. S. Department of Labor.
8. A Technical Support Library has been set up by the Bureau. The library provides the necessary reference to source documents which were adopted in the federal OSHA Standards. Since these publications are not available from any other

#### MAJOR ACCOMPLISHMENTS (Continued)

source in the state, the technical support library is available to the public for its use.

9. Employer consultation services have been continued to the extent of 403 Advisory inspections completed. These inspections allow any Montana employer to find out where his establishment is in violation of OSHA standards, without penalty.

#### OCCUPATIONAL SAFETY AND HEALTH EMPLOYER EDUCATION

1. Between February 20 and March 22, meetings in 15 cities across Montana were held to educate employers on the Recordkeeping Requirements of the OSH Act and a survey being conducted by the B.L.S.; total attendance 954.
2. Three meetings were held in cooperation with the Chamber of Commerce; attendance 40.
3. Over 400 employers have been contacted directly at their place of business and complete instructions on the Recordkeeping Requirements were given. The Education Supervisors helped the employer bring his records into compliance from July, 1971 through the current date whenever possible.
4. Mr. Joe Hines, Chief of the OSH Statistics Program for B.L.S. Region 8, states that he felt Montana has one of the most outstanding Employer Education Programs, with respect to the Recordkeeping Requirement of the OSH Act, he has seen.

#### BOARD OF INSURANCE COMPLIANCE

1. Addition of an assistant bureau chief and an additional claims

MAJOR ACCOMPLISHMENTS (Concluded)

examiner has resulted in extensive improvement in quantity and quality of case reviews.

2. Developed closer communication with Plan I and Plan II claims representatives resulting in an improved understanding of compensation for those who have adjustment responsibility.

## PROGRAM DESCRIPTIONS

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### BOARD

#### Goal

The goal of the Board Program, as titled in the current executive budget now the Division program under Executive Reorganization, is to: assure that Montana employers insured under the Workmen's Compensation Act, regardless of plan, receive all benefits for their employees which are promised under the Act; maintain strict compliance by all employers engaged in hazardous employments throughout the State of Montana.

#### OBJECTIVES

Assure injured workmen prompt adjudication of their claims for medical and compensation payments.

Provide safety engineering services for all hazardous industries in order to reduce accident frequency and severity.

Collect, evaluate and disseminate accident data for the purpose of aiding in the reduction of preventable accidents.

# PERFORMANCE INDICATORS

	Historic 1971-72	Current 1972-73
Work Injuries Reported	23,195	23,821
Compensation Claims Filed	3,698	4,132
Hearings Held	270	167
Safety Compliance Officers	14	16
Health Compliance Officers	2	2
Support Personnel	14	15
Information Meetings	617	532
Persons Reached at Meetings	5,213	4,562
Advisory Inspections Requested and Performed	226	403
Safety Inspections Conducted (Boiler Inspections by Insurance Companies)	4,362 <sup>1</sup>	1,744 2,775
Work Orders/Citations Issued	1,216	1,119
Special Reports/Complaints	127	134
Accidents Investigated (Fatal and Non-Fatal)	126	99
Boiler Licenses Renewed	2,954	2,625
First Aid Courses Conducted	26	42
Presentations of Safety Films	158	65
Industrial Safety Courses Conducted	9	0 <sup>2</sup>
Safety Field Surveys	119	72
Health Field Surveys	116	112
Fire Field Surveys	135	437
"Work Injury Reports" Printed and Distributed	500	1,000

<sup>1</sup>Boiler Inspections by Insurance Companies were combined for one total.

<sup>2</sup>Emphasis shifted to OSHA compliance program and developmental state plan.

PROGRAM DESCRIPTIONS (Continued)

PROGRAM STATE INSURANCE FUND

Goal

The goal of the program is to reduce the number of industrial accidents and provide an insurance plan of optimum coverage and benefit.

Objectives

Classify and underwrite all risks which elect to be bound under Plan III of the Workmen's Compensation Act.

Collect all premium and assessment monies due from the various employers pursuant to coverage under the Plan.

Provide safety engineering services to all employers covered under the Plan.

Reduce time-lag between date of injury and receipt of the indemnity payment by the claimant.

# PERFORMANCE INDICATORS

	Historic 1971-72	Current 1972-73
Risks Underwritten	1,216	1,143
Auditors In Field	3	2
Unpaid Premium and Assessment Outstanding	\$103,161	\$56,464
Unpaid Premium and Assessment Collected	\$ 46,163	\$46,697
Rehabilitation Staff Retained	2	2
Rehabilitation Contacts Made with Industrially Injured by Division Personnel	132	149
Retraining Status	--	54
In Retraining Program	--	38
Returned to Employment	--	57
Rehabilitation Clinics Held	16	36
Amputee Clinics Held	--	12
Amputees Assisted	--	102
Lag Report - Compensation Paid in 14 Days of Fewer From Time of First Report of Injury	83.6%	77.9%



PROGRAM DESCRIPTIONS (Continued)

SILICOSIS PROGRAM

Goal

The goal of the program is to provide monthly benefit payments to those Montana residents who are totally disabled and barred from gainful employment because of silicosis.

Objectives

Continued effective medical screening of applicants in the determination of silicosis disability.

Provide for periodic checks of recipients for the purpose of income qualification.

Ultimately, phase out the program as the incidence of silicosis decreases.

# PERFORMANCE INDICATORS

	Historic 1971-72	Current 1972-73
Silicotics Compensated	321	303
Benefits Paid	\$644,714	\$608,365
Income Qualification		
Questionnaires Mailed	321	303
Personal Interview with Silicotics Conducted	12	8

## PROGRAM DESCRIPTIONS (Continued)

### OCCUPATIONAL SAFETY PROGRAM

#### Goal

The goal of the program is to inform employers, employees and the general public of the capabilities and responsibilities of the Occupational Safety and Health Act as it was adopted under the Montana Safety Act of 1969.

#### Objectives

Improve the awareness, understanding and acceptance of the Occupational Safety and Health Act in Montana for employers, employees, and other interested persons.

### OSHA STATISTICS PROGRAM

#### Goal

The goal of the program is to develop specific data that will allow the State to evaluate its inspection compliance and standard making capabilities and determine the additional resources necessary to meet the criteria required for including the State in a Federal cooperation program.

#### Objectives

Determine the need for State Occupational Safety and Health Statistics data by geography, industry and size to determine the means to yield needed State occupational injury and illness statistics.

### OSHA HEALTH PROGRAM

#### Goal

Update State standards to better cover and enforce safety and

PROGRAM DESCRIPTIONS (Concluded)

health rules and regulations throughout all industries.

Objectives

Carry out the necessary procedures involved for the adoption of the Federal Occupations Safety and Health Standards as Montana Safety and Health Standards.

# PROGRAM COST SUMMARY

PROGRAM	FISCAL YEAR	
	1971-72	1972-73
01 Board	\$ 763,403	\$ 851,703
02 State Insurance Fund	7,133,244	7,522,486
03 Silicosis	659,997	621,358
04 Occupational Safety and Health (OSHA)	62,230	150,922
05 Statistics	18,790	34,280
06 Health	12,792	25,337
07 Mining	00	21,957
TOTAL	<u>\$8,652,636</u>	<u>\$9,228,043</u>
Personal Services	\$ 727,245	\$ 872,609
Operating Expenses	738,275	948,662
Equipment	32,863	48,137
Assist Grants and Benefits	7,154,253	7,315,906
Transfer	00	42,729
TOTAL	<u>\$8,652,636</u>	<u>\$9,228,043</u>

## SUMMARY OF FUNDING

Earmarked Revenue Loss Adjustment and Industrial Board	\$1,389,108	\$1,855,362
Industrial Insurance Fund	6,501,282	6,742,240
Second Injury	500	00
Occupational Disease	557	1,053
Volunteer Firemen	7,200	7,850
Industrial Insurance Liquidation Fund	00	00

PROGRAM COST SUMMARY (Concluded)

Federal Funds 04 - 05 - 06	93,992	00
General Fund	659,997	621,358
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TOTAL	\$8,652,636	\$9,228,043
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